



Regional Economic Multipliers

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The Bureau of Economic Analysis (BEA) prepares, on a reimbursable basis, estimates of economic multipliers for states, counties, and combinations thereof. The multipliers estimate the effects of the changes in the output of one or more industries in an area on the output, employment, and labor earnings in the other industries in that area. The multipliers are produced by BEA's Regional Input-Output Modeling System (RIMS II) using data on the local area personal income and the national input-output accounts. RIMS multipliers can be used to estimate not only total regional impacts but also the impacts on each of 20 industry aggregations (table 1).

Uses of the regional economic multipliers

The regional economic multipliers are widely used by both the public and private sectors to study economic impacts. For example:

- Several Federal Government agencies use the regional economic multipliers to study the local impact of government regulation on specific

industries (EPA) and to assess the local economic impacts of Federal actions such as military base closings (DOD).

- State and local governments use the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as firms locating within their state, or to assess the impacts of tourism.
- Businesses and private consultants use the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters, such as Hurricane Charley; or of special events, such as national political conventions.

Information required from users

To effectively use the RIMS II multipliers for impact analyses, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with a project or special event under study. To provide this infor-

mation, the user must answer five questions about the project or event:

- What is the affected region?
- Which industries are initially affected?
- Is there more than one phase of the project or program?
- What are the initial changes in output, earnings, or employment?
- Should the initial changes be separated into production costs, transportation costs, and trade margins?

Availability

A more detailed description of the regional economic multipliers is available in *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, Third Edition (Washington, DC: U.S. Government Printing Office, 1997). A version of this publication and other information about the multipliers are available on our Web site at <www.bea.gov>.

For more information

Call the Regional Input-Output Modeling System (RIMS) staff at 202-606-5343, or e-mail <rimread@bea.gov>.

Table 1. RIMS II Industry Aggregations

| Number | RIMS Industries | Input-Output Industries Included in Aggregation |
|--------|--|---|
| 1 | Agriculture, forestry, fishing, and hunting | 1111A0–115000 |
| 2 | Mining | 211000–21311A |
| 3 | Utilities* | 2211A0–221300 |
| 4 | Construction | 230000 |
| 5 | Manufacturing | 311111–33999A |
| 6 | Wholesale trade | 420000 |
| 7 | Retail trade | 4A0000 |
| 8 | Transportation and warehousing | 481000–493000 |
| 9 | Information | 511110–514200 |
| 10 | Finance and insurance | 52A000–525000 |
| 11 | Real estate and rental and leasing | 531000–533000 |
| 12 | Professional, scientific, and technical services | 541100–5419A0 |
| 13 | Management of companies and enterprises | 550000 |
| 14 | Administrative and waste management services | 561300–562000 |
| 15 | Educational services | 611100–611B00 |
| 16 | Health care and social assistance | 621A00–624A00 |
| 17 | Arts, entertainment, and recreation | 711100–713A00 |
| 18 | Accommodation and food services | 7211A0–722000 |
| 19 | Other services* | 8111A0–813B00, S00A00 |
| 20 | Households | H00000 |

* Includes Federal Government enterprises.